

Message Text

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PAGE 01 LONDON 09608 161802Z
ACTION EB-08

INFO OCT-01 ARA-14 EUR-12 IO-14 ISO-00 STRE-00 SSO-00
INRE-00 NSCE-00 ICAE-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03
LAB-04 NSAE-00 PA-02 CTME-00 AID-05 SS-15 STR-07
ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 DOEE-00
/125 W

-----103783 161814Z /47

O R 161749Z JUN 78 ZFF 4
FM AMEMBASSY LONDON
TO SECSTATE WASHDC NIACT IMMEDIATE 7250
INFO AMEMBASSY BRUSSELS
AMEMBASSY MEXICO
USMISSION GENEVA

UNCLAS LONDON 09608

PASS ELECTRONICALLY FOR USDA HATHAWAY AND STR WOLFF

USEEC ALSO FOR EMBASSY

MEXICO PASS AGATT FOR STARKEY

MTN

E.O. 11652: N/A
TAGS: EAGR, ETRD, OCON
SUBJECT: GRAINS NEGOTIATIONS - INTERIM COMMITTEE -
EEC PAPER ON NOTIONAL PRICE PROVISIONS

FOLLOWING TEXT TABLED FRIDAY, JUNE 16:

1. FOR THE PURPOSES OF THIS CONVENTION THE LOWER AND
UPPER NOTIONAL WHEAT PRICES SHALL BE SET AT THE
FOLLOWING LEVELS:

US \$ PER METRIC TON

LOWER NOTIONAL PRICE

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UPPER NOTIONAL PRICE

2. I) THE LOWER NOTIONAL PRICE SHALL APPLY TO ALL
GRADES OF "SOFT" WHEATS AND THE UPPER NOTIONAL PRICE TO
ALL GRADES OF "HARD" WHEATS.

II) FOR GRADES OF WHEATS OTHER THAN THOSE MENTIONED IN

THE PREVIOUS SUB-PARAGRAPH ALLOWANCE SHALL BE MADE IN THE LOWER AND UPPER NOTIONAL PRICES FOR SUCH DIFFERENCES IN QUALITY AS MAY BE AGREED BETWEEN THE EXPORTING AND IMPORTING MEMBERS CONCERNED, EXCEPT AS PROVIDED IN OTHER PROVISIONS OF THIS CONVENTION, INCLUDING ARTICLES.....

3. I) THE LOWER AND UPPER NOTIONAL PRICES MENTIONED IN PARAGRAPHS 1 AND 2 OF THIS ARTICLE SHALL BE EXPRESSED ON A FOB BASIS' MAIN PORT OR PORTS OF SHIPMENT IN EXPORTING MEMBERS, IN US DOLLARS PER METRIC TON. CONVERSION FROM OTHER CURRENCIES INTO US DOLLARS SHALL BE MADE AT CURRENTLY PREVAILING MARKET RATES OF EXCHANGE.

II) IF THIS SINGLE FOB BASIS FOR ALL EXPORTING MEMBERS ADVERSELY AFFECTS THE COMPETITIVE POSITION OF AN EXPORTING MEMBER, THE MARKET REVIEW COMMITTEE, ON RECEIPT OF A DULY JUSTIFIED REQUEST FROM THIS MEMBER, MAY AGREE ON SPECIFIC MEASURES AT THE THIRD FALLING PRICE POINT.

4. I) FOR THE PURPOSES OF THIS CONVENTION, EXPORTING MEMBERS UNDERTAKE TO MAKE APPROPRIATE ARRANGEMENTS TO ENSURE THAT THEIR COMMERCIAL EXPORTS ARE MADE AT PRICES CONSISTENT WITH THE LOWER AND UPPER NOTIONAL PRICES.

II) IMPORTING MEMBERS UNDERTAKE TO GIVE FAVOURABLE CONSIDERATION TO ANY PROPOSALS TO APPLY APPROPRIATE UNCLASSIFIED

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CORRECTIVE MEASURES WHEN IMPORTS AT PRICES NOT CONSISTENT WITH THE LOWER NOTIONAL PRICE THREATEN TO JEOPARDIZE THE OPERATION OF THIS CONVENTION.

5. PRICES SHALL BE DEEMED TO BE CONSISTENT WITH THE UPPER AND LOWER NOTIONAL PRICES WHEN WHEAT IS OFFERED OR TRADED:

(A) AT PRICES EQUAL TO OR HIGHER THAN THE UPPER NOTIONAL PRICE SPECIFIED IN PARAGRAPH 1 OF THIS ARTICLE PROVIDED SUCH PRICES OCCUR WITHIN THE FRAMEWORK OF NATIONAL MEASURES WHICH ARE NOT INCOMPATIBLE WITH THE PROVISIONS OF ARTICLE..... ON ACTIONS TO BE TAKEN BY MEMBERS IN A RISING PRICE SITUATION;

(B) AT PRICES EQUAL TO OR LOWER THAN THE LOWER NOTIONAL PRICE SPECIFIED IN PARAGRAPH 1 OF THIS ARTICLE PROVIDED SUCH PRICES OCCUR WITHIN THE FRAMEWORK OF NATIONAL MEASURES WHICH ARE NOT INCOMPATIBLE WITH THE PROVISIONS OF ARTICLE..... ON ACTIONS TO BE TAKEN BY MEMBERS IN A FALLING PRICE SITUATION.

BREWSTER

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Decaption Date: 01 jan 1960
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Disposition Approved on Date:
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Disposition Event:
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Subject: GRAINS NEGOTIATIONS - INTERIM COMMITTEE - EEC PAPER ON NOTIONAL PRICE PROVISIONS FOLLOWING TEXT TABLED
FRIDAY, JUNE 16
TAGS: EAGR, ETRD, OCON
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